T. W (1944) Department.

Ms SERIES.

G.O. No. 1195

Dated 26-4-1944

[Despatch Abstract.]

Electricity Department.

From

T.J. Mirumamani,
Chief Electrical Inspector to Government,
Chepauk, Madras.

To

The Secretary to Government,
Public Works Department, Madras.

Through The Chief Engineer for Electricity,
Chepauk, Madras.

No. 243-M/44-2. Dated 8th February, 1944.

Sir,

Sub: Electricity - Electrical undertakings - Hospet Municipality - Losses due to War conditions - Levy of surcharge under G.O.No. Ms.2408, dated 9-11-1944.

The financial position of the Hospet Municipal Electrical undertaking has been scrutinised with particular reference to its Revised Budget Estimates for 1943-44 and Budget Estimates for 1944-45, and the relief which the Licensee may get under War condition surcharge has been examined.

The Hospet undertaking commenced operation in 1935-36. It has never been self supporting. But until 1940-41; the ~~xxxxx~~ total revenue realised by the working of the undertaking was sufficient to meet the total expenditure on operation and pay part of the annuity. From 1941-42 however the operation costs have considerably exceeded the revenue. The revised estimates for 1943-44 shows that the excess of expenditure (exclusive of annuity payments) over revenue will be over Rs.21,000/- while the budget for 1944-45 estimates the expenditure (exclusive of annuity) to exceed revenue by Rs.15,700/-.

The financial position of the undertaking has always been unsatisfactory, the undertaking working at a loss ever since the commencement. The year 1940-41 was the most favourable year when the losses were least viz., Rs.129/-. Since then the position has worsened due to increased cost of fuel oil, lubricating oil, major repairs to engine sets, diminished revenue due to restrictions and rationing.

The enclosed statement shows the financial results of the undertaking since 1935-36. The Revised Estimate for 1943-44 and Budget Estimate for 1944-45 are incorporated in the statement to give a complete ~~xxxxx~~ picture.

As the year 1943-44 is coming to a close, measures to make the undertaking self-supporting in the ensuing year have not been considered.

The estimated loss for the year 1944-45 is Rs.31~~xx~~6/-. A review of the Budget estimate with reference to actual probable conditions, however, shows that there is scope to bring down the operation expenditure by nearly Rs.6000/-from the estimated figure for the following reasons:---

The fuel and Lubricating oil is calculated on basis of the full quota - actual consumption basis gives an amount of Rs.13,500 against the estimate total of Rs.19,000. A saving of Rs.500 is anticipated under staff and the cost of repairs, after the extensive purchase of 1943-44, should not exceed Rs.6000 inste of Rs.6000. The deficit is thus estimated to be Rs.25,116~~x~~inclusi of the annuity payment of Rs.15,386.

0 A data sheet is enclosed to show the financial results wi
a 50 % and 75 % surcharge under conditions when -

(1) Full annuity is paid.
(2) Only interest part of annuity is paid and principal re
payment is deferred.
(3) Only repayment of principal is effected and interest
payment is deferred
and (4) full annuity is deferred.

With a 50 % surcharge, the full annuity payment requires to be postponed. With a 75 % surcharge interest on loans can be met and a deficit of Rs.963/- a year would result. The other two conditions viz., (1) Principal part or annuity is repaid or (2) whole annuity is repaid, are more onerous.

The Commissioner, Municipal Council, Hospet, has intimated that the council approved the levy of a war condition surcharge of 75 % .

During my inspection at Hospet a fortnight ago, this matter was discussed with me by the Chairman. He told me that it was his view and that of his fellow 8 Councillors that the rates for power were so low as compared to fuel cost to oil engine owners that 75 % surcharge will still make electric power rates competitive. Also owing to the scarcity of kerosine oil, no domestic load will be thrown off owing to a 75 % surcharge. Whereas this may be correct for an emergency period of scarcity, I am of the opinion a large rise of 75 % will lead to considerable reduction in revenue by most of the consumers economising in their consumption of electricity. I suggest that a 50 % surcharge may be allowed in the first instance and the position reviewed after six months.

1/ This will leave the annuity payment (Principal repayment Rs.95
(Interest " Rs.58
uncovered. Either the Municipal Council xxxxx will have to meet this fr its other resources or approach Government for postponing payment. I was informed that the finances of the Municipal Council are xx so bad that th first alternative is out of the question. The statement will however be no doubt checked up in the Administrative Department of the Government. As regards the second alternative, I consider that judged by standards applied to company licensees there is a case for postponing repayment of annuity. The annuity comprises —

(a) Repayment of loan which has no counterpart with the company licensees' dealings since the share capital is not repaid. However Depreciation is allowed by them which is not usual with any but very prosperous Municipal Licensees. There have been many cases in which xxxxx company licensees, owing to their low earnings, have been permitted to postpone or reduce Depreciation contribution.

(b) Payment of Interest.- This corresponds to Dividend of a company Licensee which is paid only if there is a margin in working.

2/ I request Government's orders accordingly. The question whether the annuity payment, whether in whole or in part, should be deferred may be decided separately, but in the meantime the 50 % War Condition surcharge may be approved. The surcharge may be permitted to be levied from the bills of February, 1944. As the Council should notify the consumers of the levy of a surcharge, it is requested that orders permitting a 50 % surcharge be issued before 20th February, 1944.

Chief Electrical Inspector
to Government.

Encl: 1 Statement.
1 Data Sheet

KSD/TSS.9.2.
2/2

Endn 3834 S/43-3 dt 14.2.1944
Forwarded to the Secretary to Govt., P.W.D
I endorse the recommendations of the Ch
Electrical Inspector to Govt.
Chief Engineer (Electric

WAR CONDITION SURCHARGE.

(1) Name of Electric Supply Undertaking. The Hospet Municipal Electrical Undertaking.

		Rs.
(2) Capital Receipts:		
(i) Ordinary share capital		
(ii) Preference share capital		
Total		
(iii) Debentures		1,60,069
(iv) Government Loans		7,470
(v) Other borrowings		
Gross Capital ..		1,67,539
(3) Capital Outlay		1,27,537
(4) Revenue:		
(i) Revenue by sale of power ..		18,700
(ii) By Meter Rents		900
Total ..		19,600
(iii) Or By other sources		150
Gross Total ..		19,750
(5) Expenditure:		
(i) Expenditure on generation, Distribution & sale of power		29,537
(ii) Annuity		15,386
(Principal .. Rs.9510)		
Interest .. Rs.5876)		
(iii) Income-tax		-
(iv) Interest on Debentures ..		-
(v) Interest on Loans		-
(vi) Other items ranking as expenditure.		
Total ..		44,923

(6) Surcharge required by Licensee ..	75 %		
(7) Surcharge proposed % ..	50 %		75 %
(8) Amount by the proposed % surcharge ..	9800		4700
(9) Revenue plus Surcharge ..	29550		14450
(10) Surplus over expenditure (i) Excluding Annuity ..	+ 13		4913
(11) -Do- (ii) Excluding principal portion of Annuity.	-5863		-963
-Do- (iii) Excluding interest portion of Annuity	-9497		-4597
-Do- (iv) Including Annuity	-15373		-10473

50 % Surcharge recommended. Annuity payment is also recommended to be deferred.

T. J. [illegible] 9-44.
Chief Electrical Inspector to Government.

Chief Engineer (Electricity)

Statement showing receipts and expenditure under several heads with profit and loss from 1935-36 to 1942-43.

Year of operation. Units generated.	Cost of generation.	Cost of Distribution.	Total operation.	Annuity. Annuity.	Total expenditure.	Total Revenue.	Profit.	Loss.	Depreciation provided.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs.	Rs. A. P.	Rs. A. P.		Rs. A. P.	Rs.
16,700 ..1935-36.	2123-3-8	345-14-10	3212-12-10	9205	12424-5-10	3093-14-11		9330--4-11	—
40,640 ..1936-37.	5184-9-3	1431--5--0	9042--4--2	9205	18247-4--2	11909-2--6	-	6338--1--8	—
54,363 ..1937-38.	5697-8-6	1518--5--2	9769-14--7	5740	15721-4--7	14421-11-3	-	1299--9--4	—
68,475 ..1938-39.	7535-14-2	1772--3--2	13396--8--1	100598-0-6 /	114488--8--7	18901--2-1	-	95587--6--6	—
85,257 .. 1939-40.	11462--1-2 /	2292-15--1	17174--1--6	8024	25198-1--6	20400--2-2	-	4797-15--4	—
1,26,611 .. 1940-41.	16005-3--3	1937--3-10	21713-10--3	7530	29734-0--3	29606--2-9	-	128-13--6	
1,39,698 .. 1941-42.	21898-3-7	2165--1-10	27289-10--7	7530	47381-10-7	28306--7--6	-	19075-3--1	10008
89,342 .. 1942-43.	21357-11-4	2396--4-11	2827-11-10	16396	56554--4-4	19403-12--2	-	37150--8--2	10425
Revised Estimate for 1943-44. 1943-44.	31930-0-0	3318-0-0	40665-0--0	15386	56051--0--0	18990-0-0	-	37061--0--0	—
Buaget Estimate for 1944-45. 1944-45.	26022-0-0	3420-0-0	35537-0-0	15386	50923--0--0	19807--0--0		31116--0--0	—

U.O. No. 4.44.

Chandigarh - Hospital Municipal Clerk

Agam (G.O. No. 2445 P.W. & 9-11-5

From the C.E.I.G., No. 243-A/ 8

To CE(E), No. 3832 G/A

O.F. 18.

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..		
When copied ..		
When examined..		
When signed ..		
When despatched.		

SUBJECT :— Elec. Hospital Undertakings - War conditions surcharge - 1941 - Remitted

READ AGAIN ....., dated ..... 19....

" " ..... " ..... 19....

READ *ALSO* :—

No. 7745 From the C E (E), No. 9463-M/44-2, dated 8-2 19 44

" ..... " C E (E) " 38354 S/43-3, dated 6-2 19 44

" ..... " ..... " ..... " ..... 19....

Order / ~~Resolution~~ Ms. / ~~Rout.~~ No. 1195, dated 26-4-44. 19....

We Govt are not prepared to allow the Hospital Undertakings

undertaking to levy a loan condition
the clearance of more than 25 tpp - which
is the maximum permissible under
GON 2408 MWD 8.9.11 43. The CB
CB (E) is requested to issue orders
accordingly permitting the levy of
a 25 tpp loan condition sanctioned by
the Hospet Municipal-
ity. Orders will be issued to the LA
Dept in regard to the postponement
of the repayment of the annuity
by the undertaking

8/12.4 lacs

To
The CE
CE (E)
SE
Work Copy
2 Lacs

28/4 Copy P.W.D Order
in file at p8 ante

for electric supply for all purposes except for bonafide

for Chief Engineer (Electricity).

G.P.S.

Copy to the Secretary to Government, Public Works Department, Madras.

Copy to the Chief Electrical Inspector to Government with 2 spare copies.

A.S.

May be added to G.O. No. 1195 P.W. & M.H. dt in which the CEI was asked to issue ~~instruction~~ orders permitting a loan condition sureby of 25%.

Blue print sent. 8/9/44

13-8-44

C.F. 32 (a).

Local Administration Department

From (Name) janab Ameerali Tabrizi, B.A.B.L.,

Designation Commissioner,

Station Hospet Municipality,

H O S P E T.

Received M/5356 Registered

To

The Secretary to the Government,
Local Administration Department,
Madras.
Through The Chief Electrical Inspector
to Government, Madras.
~~Through The Chairman, Municipal Council~~
Hospet.

Enclosures:

C. No. 3480/43-E.1 dated 27 - 6 - 1944.

Sir,

Sub :- Electricity - Hospet Municipal Electric license- Budget Estimate for 44 - 45.

- - -

47-48 CF (S) Ref :- G.O.No.1371 Ms., dated 15-5-44.

The Chief Engineer for Electricity in his reference No.3834 G/43-4 dated 8-5-44 has been pleased to order the levy of 25 % war condition surcharge on all electricity bills except on those relating to bonafide agricultural consumers.

In view of the orders of the Government referred to above, the Municipal Electrical Engineer has now revised the budget for 1944-45 reducing the expenditure by 6000/- on the maintenance side and enhancing the receipts on all electricity bills except on those relating to bonafide agricultural consumers by 25% and has arrived at a deficit balance of Rs.287/- . He states that no further reduction in expenditure could be made and suggests the enhancement of war condition surcharge by 10 % more to balance the budget and provide for minimum working balance.

3 The matter was placed before the Council and the Council in its resolution No.96/31-5-44 (copy submitted) resolved to request the Government to permit this Council to levy 50 % war condition surcharge on all electricity bills in view of the expected defecit.

8(1) In view of the Council resolution No.530/28-1-44 requesting for levy of 75 % war condition surcharge and also inview of the Chief Electrical Inspector's recommendation for the levy of 50% war condition surcharge as against 25 % which would get an additional income of Rs.4840/- in order to avoid the expected deficit and to provide the minimum working balance, I request that the Government may be pleased to permit the levy of 50 % war condition surcharge.

COMMISSIONER. 28/6

Copy of Council resolution No.96/31-5-44. 28/6/44 1944-45

Read:-G.O.No.M.S.1075 L.A., D/15th May '44 and G.O.No.1371 M.S.P.W-D. dated 15th May 1944 received on the Electricity Scheme Budget for 1944-45.

(2) Commissioner's note thereon proposing to the council to request the Government for the levy of 50% war condition surcharge instead of 25% as ordered as present.

(3) Further note of the Commissioner informing the council about the breakdown of engine No.3 on 25-5-44.

RESOLUTION :- Government order on the budget is recorded and the Government is requested to permit this Council to levy 50% surcharge on Electricity Bill in view of the expected deficit budget.

Sd.N.Chenna Veeriah,
Vice Chairman.

/True copy/

COMMISSIONER. 28/

Electricity Department.

Office of the Chief Electrical Inspector
to Government, Post Box 417, Chepauk,
Madras.

Endt. No.243/M/44-5 dated 5th August 1944.

Electricity - Hospet Municipal Electrical Licence -
Budget estimate for 1944-45.

Ref: C.No.3450/43-E-1 dated 27-6-44 from the Commissioner, Municipal Council, Hospet to the Secretary to Govt., ocal Administration Department, through the Chief lectrical Inspector to Govt., Madras.

Forwarded.

From a perusal of the revised estimate obtained from the Commissioner, Municipal Council, Hospet, it is seen that the deficit based on the expenditure and revenue receipts with the 25% War Condition Surcharge already permitted during the year will be Rs.4653-12-0. But by taking credit for the opening balance of Rs.4386-11-7 also, the Municipal Electrical Engineer has arrived at a deficit balance of Rs.267/- The latter, however, is not a correct representation of the working of the scheme which on the year's operation shows a deficit of Rs.4654/-.

This is likely to be increased owing to a further deterioration in operation conditions. No.3 engine broke down recently and supply is now not given to one section of the town, affecting 95 consumers.

This deficit is in addition to the liability of the Municipal Council to pay the annuity on loans.

5 Levy of 50% War Condition Surcharge was recommended in his office No.243/M/44-2 dated 8-2-44 but Government in G.O No. Ms.1195 P.W.D. dated 26-4-44 ordered that a surcharge of more than 25% which is the maximum permissible under G.O. No 405 P.W.D. dated 9-11-43.

6 If the Council is permitted to levy the 50% surcharge as requested by the Commissioner, they may be able to meet the expenditure in full without a deficit for the year 1944-45 if the supply to the whole town is restored shortly. The annuity payment will still have to be provided for from some other source.

T. S. Narasimhan
Chief Electrical Inspector
to Government.

K/DSR.5-8-44.
ncl. 1.

o

The Secretary to Government,
Local Administration Department, Madras.
Through The Chief Engineer for Electricity, Chepauk, Madras.

Office of the Chief Engineer
Chepauk, Madras.

Endorsement No. 3839 G/43-5 dated 17th August 194

Electricity - Hospet Municipal Electrical Undertaking - Losses due to War conditions - Levy of surcharge.

From the Chief Elecl. Inspector to Government Endt. No. 245 M/44-5 dated 5th August 1944. E 3362

18 AUG 1944

Forwarded to the Secretary to Government, Local Administration Department.

I agree with the remarks of the Chief Elecl. Inspector to Government.

for Chief Engineer (Electricity)

To the Secretary to Government, Local Administrati[illegible]

PNTo

Urgent
issue in Secy

Memo. No. 3362 E/WW./d/9.44

Elecy. Hospet Municipal Electricity Undertaking - War Condition working

From the CE/H ~~Endt~~. No. 243/M/44 d 5.8.44.

From the CE(E) ~~Endt~~. No. 3829 Q/43-5 d 17-8-44.

The attention of the CE/H is invited to resolution No. 204 d 15.8.44 of the Hospet M. Council resolving to close down the Power House for the duration of the war or until such time as new engine

of 80 K.V are made available ~~(vide CE(E)'s letter no. 4330-9/Gen. 2 dt 29.8.45~~ and he is requested to report urgently through the CE(E), whether ~~why~~ the question of increasing the percentage of war condition surcharge chargeable by the undertaking may ~~cannot~~ be deferred till the Power resumes working

ELECTRICITY DEPARTMENT.

From

T.J. Mirchandani,
Chief Electrical Inspector
to Government, Chepauk, Madras

To

The Secretary to Government,
Public Works Department.

Through the Chief Engineer for
Electricity, Chepauk.

No.243-M/44-6 dated 4-9-44.

Sir,

Sub: Electricity - Hospet Municipal Electrical undertaking - War Condition Surcharge.

Ref: P.W.D. Memorandum No.3362-E 44-1 dated 1-9-44.

I agree that the question of increasing the percentage of War Condition Surcharge leviable by the Hospet Municipal undertaking may be deferred till the power house resumes working.

T. J. Mirchandani
4.9.44.
Chief Electrical Inspector
to Government.

RK/GS.4.9.

Endt No. 3834 G/43-7 Dated 11-9-44

Forwarded. I agree with the Chief Electrical Inspector to Government.

E. Yoganandan

~~Orig~~ Hospet Municipal Medical Under-taking - Increase in the Rate of Condition Surcharge - Consideration postponed No. 3962 E/44. From the Comr., Hospet No. 3480/43-E-1 dt 27

From the DSIG No. 243-M/44.

From the CG(E) No. 3834C dt 11-9-44,

~~Order Ms.~~ memo No. 3362-E/44-3 23-9-44

~~A copy of the memo No. 3362 dt 1-9-44 to the CG(E), and a copy of DSIG's recommendations in his letter No. 1/44-3 dt 6-9-44 were with which~~

~~the CG(I)'s recommendation~~.

percentage of War condition surcharge | Clerical

beg the Hospet Municipal Electrical Undertaking to will be deferred till the power house resumes working

15-9-44

15.9.44 | 16/9/44

NOTE : The above is with reference to the letter of the Comr., Hospet Mlty. on pp 1-2 CF & the recommendations of the CE I.G. and CE(E) on p.

2. LA may see before issue.

15-9-44

15.9.44 | 16/9/44

LA Secrt

May be penned and returned to Dy. Sec. (Genl.)

Issue

16/9/44

To

The Comr. Hospet Mlty., The C.M.C, Copy to the CG(I) CE(E).

LOCAL ADMINISTRATION 17 SEP 1944 SECRETARIAT, MADRAS

P.W. no. No 3362 Genl.

22 SEP 1944 3879

24237 16.9.44

LA no

Electricity - Hospet Electrical licence. Losses due to War Conditions - levy of surcharge - proposals.

CW.o 774-E/44. Ref: From the CEIG No. 243 M/44-1 d 8.2.44 and CE(E)'s endst. No. 3834-G/43-3 d 14.2.44.

To AS.

In G.O. 2408 P.W. d 9.11.43, the Govt. have permitted the licensees to levy a war condition surcharge upto a maximum of 25% in Thermal areas and 15% in hydro-electric areas. The percentage of surcharge is to be so fixed as not to make the profits of the licensee, after the levy of surcharge, exceed 4% on the total paid-up share-capital under para 4(x) of the G.O., extreme cases of licensees, who may not get appreciable relief under the G.O., may be considered separately.

2. The CEIG & the CE(E) may be commend that the Hospet Municipal Electrical Undertaking (in Thermal Area) be permitted to levy a surcharge of 5.0%. for a period of six months, in the first instance, instead of the maximum of 25%. The Municipal Council offered 7½% surcharge. The CEIG says that even with the 5.0% surcharge, the licensee cannot make annuity payment (Rs. 15.386) and that the

finances of the Undertaking are so bad that it cannot make those payments from other sources – please see paras 10 & 11 at 2 cf. par. 11

3. Previously for similar reasons, the CE(I) & the CE(E) recommended for Chicacole, Kollegal and Prodattur Undertakings surcharge of 40%, 40% and 35% respy. The Govt however, allowed a maximum permissible under his 2108 PW d 9.11.43. ✓2 of 90 207 PW d 22-1-44 (1). ✓2 of 90 450 d 15-2-44 (T) & 4-1-2 of 90 451 d 15-2-44 (E). ✓4 1147 (T), 9 & 70 (E) rec'd

4. For orders as to the percentage surcharge that may be allowed the present case.

5. L. A. D. may see regarding 'x' at ✓2 cf. That dept. may take relevant extracts of paras 11 & 12 ibid and for

Through-Hire:

5 25% Surcharge 'x' at ✓2 cf

✓2 may be allowed as in the case of Chicacole, Kollegal and Prodattur undertakings and if this recommendation for payment 2 annuities it may be portioned if the municipal Council made the payment from the Hire Purchase

necessary action
Ch 25/2/44
N 25-2-44
K
Ch/28 2/44

ADMINISTRATION DEPT.
1 MAR 1944
5659

L. A. D
PWD no. 774-Ele4-
29.2.44

L. A. D

The financial position of the Council's

general account is given below

2. On the basis of the BE for 1944-45 as revised by the Govt. the total ordinary receipts of the Council fall short of the total ordinary expenditure under the General Account by Rs 7,631 even after appropriating a part of the additional toll compensation for ordinary expenditure other than expenditure for road maintenance. The Council has been asked to develop its resources even after deleting the provision of Rs 4,300 made by it for capital expenditure from ordinary revenue of the Council for 1944-45. The General Account closes with a balance of Rs 4558 against the prescribed minimum closing balance of Rs 5045. The Council has been asked to make up the deficiency in the closing balance by economising expenditure. The Council's General funds cannot therefore afford any contribution to the Electric Licence Account towards payment of annuities on loans taken for electric lighting.

Sources of revenue

4300 from ordinary revenues

3-3-44

3. From the figures at M on p 36 it will be observed that even if the surcharge is levied at 75% as proposed by the Council the receipts of the Elec. undertaking fall short of the expenditure including annuity on loans, by Rs 10,473. There seems to be a strong case for accepting the proposal of the Council. Finance may see the case for remarks.

7-3-44

11-3-44

4. In view of the poor financial position of both the general funds & those of the Elec. undertaking, there is a strong case for postponing the repayment of the principal portion of the annuity for a period of one year in the first instance. If the surcharge is levied at 75%, the postponement of the repayment of the principal portion will result in a small deficit of Rs 963. This deficit may

therefore suggest the postponement or repayment of the principal portion of the annuity for a period of one year. The Finance Dept of Finance agree, orders will issue in this dept after orders are issued in P.W.D regarding the levy of surcharge.

5. With these remarks this may be returned to P.W.D through Finance

11.3.44

This dept may recommend that the proposal of the C E I endorsed by the C.E to levy the surcharge at 50% be accepted in the first instance. The question whether the surcharge may be enhanced further may be considered after six months. P W D may be requested to circulate the case

13.3.44

Please see K' above Apparently intend the case to be seen by Fin. prior to circulation. Fin. may, perhaps, see now

17/3/44

17.3.44

Finance (Accts-B) P. W. D. No. 774-B/44-2

The position under a 50% surcharge and a 75% surcharge will compare as follows:-

	50% Surcharge.	75% Surcharge.
Total revenue including surcharge	29.550	34,450
Expenditure.		
(i) Expenditure on the undertaking	29537	
(ii) Annuity on loans	15,386	44,923
	44,923	
Net position	-15,373	-10,473

SECRETARY TO GOVERNMENT
18 MAR 1944
FINANCE DEPARTMENT

12795

In either case, the undertaking will not be able to pay full the annuity on loans. Under a 50% surcharge the revenue will just about cover only the expenditure on the undertaking leaving the annuity unpaid. Under a 75% surcharge the revenue will cover the ordinary expenditure and leave a surplus of Rs 4,913 against a liability of Rs 15,386 under annuity on loans.

A 25% surcharge as proposed by P.W.D. will not cover even the normal expenditure on the undertaking. (There will be a deficit of Rs 4,837). A 75% surcharge as proposed by the Municipal Council is likely to lead to reduction in revenue by most of the consumers economising in their consumption of electricity. See para 10 on page 2 C.E.

This department may agree with the C.E.E and L.A.D. for the levy of the surcharge at 50% in the first instance.

11-3-44 21.3.44 22.3.44

S

Whether it be a 50% surcharge or a 75% surcharge the undertaking will not be able to pay the annuity in full. A 50% surcharge may be tried & the results watched

27/3/44

Public Works Department.

The proposal in this file relates to the levy of a War condition surcharge by the Hospet Municipal Electrical undertaking which is in thermal area. The point for orders is what percentage of surcharge the undertaking may be permitted to levy.

2. Under paras 4 (i) and (ii) of G.O.No.2408 P.W.D. dated 9-11-43, the undertaking can levy a surcharge upto a maximum of 25%, provided by its levy the profits do not exceed 4% of the capital. But under para 4 (x) of G.O., extreme cases of licence may be considered independently. With reference to this provisi

the Municipality requests orders to levy a surcharge of 75%. C.E.I.G., however considers that a large rise of 75% will lead to considerable reduction in ~~Revenue~~ revenue by most of the consumers economising in the consumption of electricity. He considers that a 50% surcharge may be allowed in the first instance and that the position may be reviewed after six months. He also states that even with 50% surcharge, the electrical undertaking will not be able to pay the annuity of Rs.15,386 (principal Rs.9510 and interest Rs.5876) and that the Municipality will have to meet this from its other sources or approach Government for postponing ~~payment~~ annuity. The C.E.(E)., agrees with the C.E.I.G.,

Para 11 p2 c-

P 2 CF.

3. In the similar cases of Chicacole, Kollegal and Prodattur licensees, the C.E.(E)., and the C.E.I.G., recommended the levy of surcharges of 40%, 40% and 35% respectively, but the Government allowed only 25% in each case. With reference to these three cases, this department consider that a 25% surcharge only may be allowed to Hospet undertaking and that if this is insufficient for payment of annuity it may be postponed if the Municipality cannot make the payment from ~~the~~ other sources. L.A.D., state that the Municipality's other sources are also unsatisfactory and are inclined to postpone repayment of principal portion annuity (Rs.9,510). Finance seem to agree. At the same time both L.A.D., and Finance recommend the proposal of the C.E.I.G., and the C.E.(E)., to permit the undertaking to levy a 50% surcharge in the first instance.

P 2 ~~C~~ G 0.207 Pn (Y)
22.1.44
P 2 ~~C~~ G 0.450 Pn (T)
15.2.44
P 2 ~~C~~ G 0.457 Pn (E)
15.2.44
(X) P 11 B (X) P 1.190 (E)
P 9 B (F)

Secretary's note on p. 2 ante

P 3 ante

× L p 5 ante

H. 4-5 ante

4. The Financial position of the Hospet undertaking and of the 3 licensees referred to in para 3 above is as follows with reference to the various percentages of surcharge:-

A.S.

With reference to the orders in circulation at p 8 ante, a draft order is submitted

2. L.A. and Fin. may see before issue

11.4.44 S 12.4.44

L.A.

Fin

L & D

PWD Secs. no.
7742/44-3
12.4.44.

9839
AFRICA
14/4

18 APR 1944
SECRETARY TO GOVT
PUBLIC WORKS DEPARTMENT

The previous history of this Dept are at pp 3-4 ante. Orders in circulation at p 8 ante may be issued. The draft order below may be issued & the case pasted on to Finance file.

14.4.44

(2. The file regarding the post/payment of the payment of an amount was sent to PWD & Finance depts on 5/4/44 with a draft order for acceptance)

L. A. (10) No 9839-1A

1741; 12.4.44 15/4/44

15/4/44

15/4/44

Secy
Fin

Divorce (Acts B)

(Previous minutes note on pp. 4–5 above)

The further notes and orders on page 8 above and the draft order may be perused

AS
1.4.44

Lk
20-4-44

S

C/21.4.44. P.W.

The draft may now be issued. PWT

DLM
M/
K
C
24.4.44